

## Message Text

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51

ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 INRE-00 SSO-00 NSCE-00 USIE-00

CIAE-00 PM-03 H-01 INR-05 L-02 NSAE-00 NSC-05 PA-01

RSC-01 PRS-01 SP-02 SS-15 EB-04 COME-00 OMB-01 TRSE-00

CIEP-01 SAJ-01 SIL-01 LAB-01 /058 W

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O R 071730Z NOV 74

FM AMEMBASSY ROME

TO SECSTATE WASHDC IMMEDIATE 7988

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

USMISSION NATO

DIA WASHDC

C O N F I D E N T I A L ROME 15468

E.O. 11652: GDS

TAGS: PINT, IT

SUBJECT: ITALIAN GOVERNMENT CRISIS

DIA FOR A2 AND D15

PASS TREASURY

REF: (A) ROME 15144; (B) ROME 15008

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1. PREMIER-DESIGNATE MORO IS PROCEEDING SLOWLY AND CAUTIOUSLY IN HIS EFFORTS TO PUT TOGETHER A GOVERNMENT WITH A CENTER-LEFT PARLIAMENTARY MAJORITY. A SOURCE CLOSE TO MORO HAS TOLD US THAT THE PREMIER-DESIGNATE IS CONCENTRATING HIS EFFORTS ON REMOVING TWO PRINCIPAL ROADBLOCKS TO AN ACCORD. ON THE ONE HAND, HE IS SEEKING TO PUT ON ICE THE POLITICAL PROBLEM OF GOVERNMENT RELATIONS WITH THE PCI OPPOSITION WHICH IS THE NUB OF SOCIALIST-SOCIAL DEMOCRAT DISAGREEMENT. ON THE OTHER, HE IS TRYING TO RECONCILE THE SOCIALIST POSITION ON ECONOMIC PROBLEMS AND GOVERNMENT RELATIONS WITH THE LABOR UNIONS WITH REPUBLICAN PARTY DEMANDS FOR A RIGOROUS ECONOMIC PROGRAM TO DEAL WITH INFLATION. IN LINE WITH THIS APPROACH, MORO HAS GLOSSED OVER PSI-PSDI POLITICAL DIFFERENCES, AND HAS ANNOUNCED HIS INTENTION OF BEGINNING A NEW ROUND OF CONSULTATIONS TODAY ON ECONOMIC AND SOCIAL PROGRAM CONTENT. CONSULTATIONS ARE EXPECTED TO LAST SEVERAL MORE DAYS AT LEAST BEFORE MORO CAN TAKE STOCK OF HIS CHANCES FOR SUCCESS.

2. SOCIALISTS ARE WELL SATISFIED WITH MORO APPROACH AND POLITICAL OBJECTIVES WHICH, FOR TIME BEING AT LEAST, ARE SQUARELY IN LINE WITH THEIR OWN REQUIREMENTS FOR INTERNAL UNITY. ALL MAJOR PSI LEADERS OPENLY FAVOR DC ONE-PARTY GOVERNMENT, ESPECIALLY ONE WHICH WOULD NOT HAVE PSDI PARLIAMENTARY SUPPORT. ATTITUDE MAY CHANGE, HOWEVER, IF MORO HOLD TO FANFANI SOCIAL AND ECONOMIC PROGRAM IN ECONOMIC PHASE OF DISCUSSIONS NOW UNDERWAY.

3. REPUBLICAN LEADER LAMALFA HAS GIVEN PSI STRATEGY UNINTENDED SUPPORT BY DECLARING HIS PARTY'S SUPPORT FOR A DC ONE-PARTY GOVERNMENT WITH A STRONG ANTI-INFLATION ECONOMIC PROGRAM. PRI POSITION REMAINS ESSENTIALLY UNCHANGED, HOWEVER, AND IMMEDIATE AIM INTENDS ONLY TO MOVE THE DEBATE FROM POLITICAL TO ECONOMIC ISSUES.

4. DESPITE INTENSE PRESSURE BROUGHT TO BEAR ON IT BY MORO STRATEGY, SOCIAL DEMOCRAT MAJORITY SHOWS NO SIGNS YET THAT IT WILL REVERSE ITS OFT REITERATED REFUSAL TO SUPPORT A TRANSITORY ONE-PARTY DC GOVERNMENT. IN HOLDING FIRM, LEADERSHIP APPARENTLY COUNTS HEAVILY ON TACIT SUPPORT FROM DC CENTER-RIGHT FORCES. HOWEVER, IT MAY ALSO BE ENTICED BY POTENTIAL VOTES IT COULD GAIN AT DC EXPENSE FROM A DC LEFTWARD SHIFT, AND PSDI MIGHT  
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WELL GO INTO OPPOSITION RATHER THAN YIELD.

5. DC CENTER AND CONSERVATIVE FACTIONS ARE CONCERNED OVER PRESSURE FROM PSI AND DC LEFT WING IN FAVOR OF A SOLUTION TO THE CRISIS WHICH WOULD PUT THE PSDI IN OPPOSITION. DC SOURCES ESTIMATE THAT A MAJORITY WITHIN THE PARTY ARE AGAINST AN ACCORD OF THIS SORT WHICH WOULD REPRESENT A LEFTWARD SHIFT IN CENTER-LEFT POLITICAL AXIS. IN THE EVENT THAT THE PSDI

CANNOT BE BROUGHT AROUND TO SUPPORTING DC OR (LESS LIKELY)  
DC-PRI GOVERNMENT IN PARLIAMENT, MORO WOULD NEED APPROVAL FROM  
DC DIRECTORATE BEFORE UNDERTAKING FORMATION OF GOVERNMENT  
RELYING SOLEY ON PRI AND PSI SUPPORT. AT THIS READING, IT  
SEEMS UNCERTAIN THAT DIRECTORATE WOULD BE WILLING TO APPROVE SUCH  
A COURSE. VOLPE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOVERNMENT REFORM, POLITICAL SITUATION, POLITICAL PARTIES, PARTY FACTIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 NOV 1974  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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